UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
ECONOMICS DIVISION
WASHINGTON, D. C.

Discussion of Summary of Farm Household
Accounts from State Summaries
1936-37

Summaries included

The attached table presents the State summaries of household accounts that have been received this year from the representatives of the Extension Service. All are for 12 months in 1936-37 except the Wyoming report, which is for 1934-35. Considerable difficulty was experienced in bringing the summaries from different States together in one table. The form finally adopted is an adaptation of a table form based on the work of the Committee on Uniform Home Accounts of the Extension Service Department of the American Home Economics Association. The large number of footnotes shows how difficult this process of summarization has been and is indicative of the lack of uniformity of procedures among States.

In preparing the summary table it was decided, first, to omit States giving summaries for fewer than 10 cases. We believe that averages for expenditure data based on so few cases are not sufficiently reliable for inclusion. This is especially true when the averages include reports from families that differ widely in income and in size.

Basis of averages

It was also impossible to use reports presenting averages based on the number of families reporting expenditures for each group of items instead of on the total number of families. When the number of families reporting expenditures was given, the averages were recomputed on an all-family basis and included. It is recognized that, especially when referring to a single expenditure group, such as automobile expense, averages for the families reporting are of special interest. We believe, however, that they cannot take the place of the all-family averages, because, without the latter, a table that adds across and shows the distribution of total family expenditures cannot be made. It would seem advisable for all States to present averages on the all-family basis for all expenditure groups. Additional averages based on families reporting could be used when desired.

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Nonfarm families

The data in the State reports were adjusted whenever possible to omit data for families not on farms. Since the report is for farm families it seemed desirable to eliminate the others. Fortunately, the reports that included nonfarm families gave sufficient detail for most items to make separation possible. In the interests of uniformity, would it not be practicable to limit all State summaries to farm families?

Classification of data

The section on farm-furnished goods is one of the least satisfactory parts of the table. Many of the reports omitted some or all of the groups of items. Others presented data for the larger number of families that kept farm accounts, but not for the families that kept home accounts. Farm-furnished food was included in many of the reports, but the type of prices (whether farm wholesale, retail, or other, used in evaluating the food was seldom stated. The methods of evaluating the farm dwelling were described more completely, though considerable variety in method was found. These are described in footnote 2. The method used by the Bureau of Home Economics in its analyses of farm family living data, is described in the instructions for editing and transcription of farm home account book data (C 216, part II, pp. 81-82). Copies of instructions on this point are enclosed.

The reports on goods and services purchased have been adapted, in so far as possible, to fit this table form. This adaptation was difficult because of the lack of uniformity in State procedures of tabulation. For some categories, especially recreation and education, many reports gave no breakdown, but the table has been so prepared as to show the detail where it was available.

In entering data from the State summaries, it has been assumed that the automobile expense reported was for the share attributable to family use only, although seven of the reports made no statement on this point. It has also been assumed, unless a statement was found to be contrary, that automobile expense included both purchase price and operation cost. Only two of the reports mentioned transportation expense other than for automobile, and, in order to keep data on the automobile separate, other transportation expense has been included with miscellaneous items.

"Savings and payment of insurance premiums" is the most unsatisfactory group included in the table and the State reports. For each State, it presents a picture of the type of data given in the account books; but we are very doubtful of the significance of the figures. No total has been computed to include this category as it would be impossible to say what such a figure represented. Furthermore, since reports differed so much from State to State, no comparison of this figure from the reports of different States can be made. Even when the items included were listed it was not clear whether the entries were "net," that is, whether debts contracted were subtracted from debts paid and whether investments took account of losses as well as gains. This is a kind of information that is difficult to get from household accounts, but, if anything on this subject is included, we believe that the figure presented should be a true "Net worth change." It should take account of decreases as well as increases and should include changes in farm inventory as well as in investments away from the farm. Procedures for computing such a figure are described in the instructions for "Farm home account book analysis," (C 216, part I, pp. 40-42.)

The amount of detail included in most of these reports has been useful in preparing this table. Even though the State reports differed in the form in which data were presented, sufficient detail was given in many instances so that new combinations could be made. In general, the lack of clear statement as to just what was included was more often a problem than the lack of detail.

Income of families included

At the time of the Outlook Conference, the specialists requested that income data be included in this summary of farm home account books. So few of the reports included data on incomes, however, that a summary was impossible. If income data were available, the classification of families by income levels when presenting expenditure data would be the most desirable plan. The averaging of data for all families as now done obscures the expenditure differences related to differences in income. Furthermore, comparisons of reports for different States are of little value unless it is known that the families were similar as to type and income level. Even when too few account books are available to permit separate analysis by income classes, a table showing income distribution of the families studied would add to the usefulness of the reports.

If income data are presented in any way, the definition of the terms used offers many problems. Unless the reports are very clear as to just what is meant by "income," such figures will have little value. Procedures for classifying families by income and a definition of the term are discussed in the "Farm home account book analysis," prepared by the Bureau of Home Economics, (C 216, part I, pp. 7, 8).

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SUMMARY OF FARM HOUSEHOLD ACCOUNTS, 1935-37: AVERAGE VALUE OF GOODS AND SERVICES, FARM FAMILIES IN 14 STATES

Locality	Year	Total number of family accounts	Average size of family	Total value of family living excluding value of farm-furnished housing	Average value of farm-furnished goods and housing				Average expenditures for goods and services purchased												Savings 3/ and payment of insurance premiums
					Food 1/	Housing 2/	Fuel	Total	Food	Clothing	Household operation	Repairs and insurance on house	Furnishings and equipment	Medical care	Recreation	Education	Gifts and contributions	Auto	Personal care	Total	
Arkansas: N. Sebastian county ---	1936	22	3.8	4/ 837	197	5/	5/	6/ 197	186	81	53	66	44	28	25	7	29	107	7/ 14	640	58
California: Merced county -------	1936	19	4.2	4/ 1431	55	5/	5/	6/ 55	380	151	192	5/	173	62	156		53	154	55	1376	311
Connecticut 8/----------	1936	37	4.1	1619	350	5/	67	9/ 417	347	10/137	166	164	62	55	35	11/60	59	117		1202	225
Delaware 8/----------	1936	17	12/ 3.8	5/	5/	5/	5/	5/	300	135	155	116		15	123		60	139	84	1127	166
Illinois 8/----------	1936-37	240	4.0	1461	370	210	12	592	224	148	128	57	94	68	37	70	73	143	37	1079	442
Iowa: 24 counties ----------	1936	84	4.0	1229	279	250	13	542	250	142	131	9	75	67	29	55	61	99	19	937	268
Maine: 10 counties ----------	1936-37	50	5.0	1073	272	168	63	503	214	105	85	19	66	56	19	42	53	54	11/ 25	738	13/ 124
Minnesota: Winona, Fillmore, Mower, Houston counties -------	1936-37	68	14/ 4.0	1063	296	151	66	513	215	103	54	31	61	50	66		5/	88	15/ 33	701	57
11 southeastern counties ------	1936	100	4.2	1192	252	144	35	431	281	125	108	17	76	58	97		5/	76	15/ 67	905	97
Owner-operated farms, 22 southern counties --------	1936-37	48	5.3	716	197	106	27	330	215	68	45	3	31	24	22		5/	32	52	492	33
Tenant-operated farms, 26 southern counties 16/-----	1936-37	83	4.5	679	179	88	28	295	206	64	42	1	32	22	16		5/	32	57	472	35
41 southern counties 17/-----	1936-37	271	4.4	653	191	95	21	307	191	67	40	2	29	23	19		5/	31	39	441	26
Nebraska: 46 counties ----------	1936	254	3.9	989	215	160	25	400	207	10/122	59	18/ 24	19/ 94	59	37	36	48	63	5/	749	20/ 80
Nevada 8/ ----------	1936	62	4.8	4/ 1478	307	222	5/	4/ 529	327	136	98	38	88	73	200		5/	21/107	104	1171	76
New Mexico: 8 counties ----------	1936	37	5.3	5/	5/	5/	5/	5/	164	75	35	22/ 9	28	36	23/ 15	7	4	31	11	415	5/
Ohio 8/----------	1936	24	4.2	5/	5/	5/	5/	5/	231	118	143	33	98	76	29	96	90	5/	11	24/ 925	128
Oklahoma: 16 counties ----------	1936	45	3.5	24/ 960	201	5/	5	9/ 354	178	71	71	51	75	41	28	37	38	5/	15/ 16	24/ 606	63
Wyoming: Niobara, Big Horn, Uinta, Platte counties ----------	1935	18	4.2	1128	25/ 92	5/	5/	9/ 92	202	107	114	178	119	34	44	61	26	139	12	1036	124

1/ In the Illinois report, farm-furnished food was evaluated at retail prices. The Nebraska and Nevada reports used prices that would have been received had the food been sold at the farm.

2/ Estimated rental value of the farm dwelling. The Illinois, Iowa, and two of the Minnesota summaries did not report the method of evaluation; the Maine report evaluated farm housing at 10 percent of estimated value; the Nebraska report, at 9 percent of present valuation; the Nevada report, at 10 percent of inventory value of the house. The first three of the Minnesota studies described the value of farm housing as interest and depreciation on farm dwelling, but did not give the method by which it was computed.

3/ Includes amounts reported as savings, debt payments, and for investments. 4/ Does not include value of farm-furnished products other than food, such as fuel, ice, etc. 5/ Not reported. 6/ Includes farm-furnished food only. 7/ Personal care and transportation other than by automobile only. 8/ No information was given concerning name, location, or number of counties. 9/ Does not include value of farm housing. 10/ Includes personal care. 11/ Includes personal allowances. 12/ Includes three urban families that were excluded from the remainder of the Delaware data. 13/ Includes payments of life insurance premiums only. 14/ Adult equivalents based on food-consumption units. 15/ Includes only personal care. 16/ Farmers with cash leases. 17/ Farmers with crop-share and cash leases. 18/ Insurance not included. 19/ Includes supplies for household operation. 20/ Includes only savings. 21/ Includes purchase price of cars only, not operation. 22/ Includes interest as well as repairs and insurance. 23/ Includes expense for reading, tobacco, and gum, in addition to other items. 24/ Does not include any automobile expense. 25/ Includes all farm produce used by the family.

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SUMMARY OF FARM HOUSEHOLD ACCOUNTS FROM 17 STATES, 1938

Reports presenting expenditures for living, the value of farm-furnished products, and other facts about farm families that kept household accounts in 1938 have been received from the representatives of the Extension Service in 17 States. In addition to the reports summarizing the accounts kept by farm families that cooperated with the Extension Service, two States, Oklahoma and Tennessee, also sent in reports covering families that were borrowers from the Farm Security Administration. One State, Illinois, presented material for different agricultural sections as well as for the entire State.

The material is for the calendar year 1938, except for Louisiana (1936-37), and Maine (1938-39).

Account books included in State reports

In a few State reports, the number of families varied in several tables; families included in some tables were omitted from others because their accounts were incomplete for one or more items. Unless an account book is complete and acceptable for analysis, it should be omitted entirely from the study of family spending patterns. The same number of families should be included throughout all the tabulations, in order to eliminate the possibility of under- or overweighting certain items in computing the total expenditures and value of family living.

Basis of averages

All of the averages presented in the summary table should be computed on an all-family basis, and not on the number of families reporting an expense or value for a group of items. Nearly all of the reports received had averages based on the total number of family accounts, and stated the fact in the write-up.

Description of families

The improvement in the State reports for 1938 was quite noticeable in that many of the reports specified that Negro, broken, and nonfarm families were eliminated from the analysis of farm family records. An attempt has been made to limit the summary to native-white, unbroken farm families in order to make the group as homogeneous as possible. Each State report should carry a statement as to race, marital status, and residence (farm or nonfarm) of the families that were included.

Presented by Maryland Y. Pennell at the Farm Family Living Outlook Conference, October 30 - November 4, 1939.

In column 4 of the summary table are presented the figures on "Average size of family." These averages are computed on the basis of persons in the family in all except 2 States, Louisiana and Nevada, where year-equivalent persons were used. The recommendation of the Committee on Analysis of Household Account Books was that size of family be computed on the basis of year-equivalent persons. Doubtless some States do not have the data needed for such a computation. In Louisiana the two averages were approximately the same, 4.4 persons as compared with 4.2 year-equivalent persons.

Average value of family living

The average value of family living presented in column 5 is composed of the sum of the average value of farm-furnished goods (column 6) and the average expenditures for goods and services (column 10). The figures given for the average value of family living are not complete totals for 9 of the 19 State reports entered in the summary table. (See those marked 11/.) The total value of family living figures for these 9 States should not be compared with the figures for the others; the totals are incomplete because of omissions of the value of farm-furnished housing, of "other" farm-furnished goods, of automobile expenditures for family use of the car, and of gifts and welfare expenditures. (Items not reported are marked 12/.)

Farm-furnished goods

The section of the summary table on farm-furnished goods is still very difficult to prepare. The value of farm-furnished housing and goods should be included for all families covered in the analysis of expenditures. Some of the reports included only a few families in this section, or analyzed reports from other families whose size and composition might vary considerably from those of the families keeping expenditure records.

The methods of evaluating housing and other farm-furnished goods in the States varied widely. An attempt has been made to report the State procedures in footnotes 3, 4, and 5. The recommendations of the Committee are given in C 216: Part I, page 6 and Part II, pages 81-82.

Expenditures for goods and services

The State reports on goods and services purchased have been adapted insofar as possible to fit the column headings of the summary table, which are in accord with the Committee recommendations for uniformity in classification. Many of the footnotes indicate differences in classification between the State summaries and the Committee recommendations.

This year no attempt was made to separate the expenditures for formal education, reading, and recreation. The State reports did not give sufficient information on the breakdown of these three groups of items. However, we should like to present these data in separate columns next year if possible.

Column 20, headed "Other," is defined to include expenditures for travel and transportation other than automobile; personal care; tobacco; unitemized personal expenditures; and other family expenditures such as funerals, cemetery lots, and legal services. In only a few instances was there any certainty that all of these groups were summarized in this column. If possible next year, we shall try to present personal care expenditures in a separate column.

There still are quite a few questions regarding housing expenditures, column 14. As you will recall, the Committee recommended that housing expenses include the following items: Insurance premiums; repairs and replacements on the family home; and other expenses for housing, such as rent at school, and payment for lodging for members of the family while traveling or on vacation. Major improvements, such as structural additions or wiring for electricity, should be considered as an increase to the value of the home and therefore, be classed in assets, and not as an expenditure for family living.

Change in net worth

Very few of the reports attempted to give a complete picture of the family's change in net worth. Data on increases in some assets (such as investments and payment of insurance premiums) or decrease in some liabilities (such as certain debt payments) are available for many of the States, but the reverse of the picture--decrease in assets and increase in liabilities--is seldom taken into account. Changes in the value of crops stored for sale and of livestock owned should be included in the computation of change in net worth.

Net income of families

Fewer than half of the reports gave any data on family income, and some reports failed to state what was included in the income figures given. An attempt should be made to obtain information on net family income--farm and nonfarm, money and nonmoney--in order to make a more complete analysis of these household accounts.

Interpretation of summary

Families joining with others in the State account keeping projects of the Extension Service are not selected by any sampling procedure. Since they are self-chosen, they probably are not representative of all farm families in the State, nor even of all farm families reached by the Extension Service. If they could be classified by income, it would be possible to form some idea of what proportion of the farm community they represent--for example, whether the upper half, the upper quartile, the middle half--on the basis of any available data concerning distribution of families by income.

Income data would make it possible to compare similar income groups from State to State. For example, the groups with incomes of $500 to $1,000 might be compared, even though some of the State reports included families above this level while others included only this level.

Records of families borrowing from Farm Security Administration are more likely to represent the entire group of their borrowers since all families reached are asked to keep records and are given some help in this undertaking. However, it is recognized that this group of borrowers is from the lower-income farm population.

Expenditures for Clothing, by
Total Value of Family Living

Lacking a random sample and income data, it is difficult to make any State comparisons. One attempt to summarize the material is shown on the chart "Expenditures for clothing, by total value of family living."

Only 16 State reports are included on this chart; those for which entries on average expenditures for goods and services were not complete were excluded. In order to show as many States as possible, where the average value of farm-furnished housing and/or fuel was missing, an estimated value based on data from the Consumer Purchases Study was substituted. For example, no valuation of farm-furnished housing and fuel was given for the Farm Security Administration families in Tennessee, but the Consumer Purchases Study material for white farm operators in 12 selected counties in Georgia and Mississippi seemed comparable. The Georgia-Mississippi white operators in the class having money expenditure for family living in the range $0 to $250 had an average total expenditure for living of $173, as compared with $165 for the Tennessee Farm Security Administration families. Their expenditures for food, clothing, and other groups of goods and services were very similar. Therefore, the Georgia-Mississippi valuation of farm-furnished housing, $40; and of other farm-furnished products, $30, were added to the incomplete average value of family living, $452; shown for the Tennessee Farm Security Administration families in column 5 of the summary table. Thus, the total value of $522 shown on the table accompanying the chart was obtained.

A small circle marking the average value of family living and average expenditures for clothing has been entered on the chart for each of 16 reports. These circles show that average expenditures for clothing rise with higher average values of family living, in spite of each State being "different" and the number of household accounts being small in most of the States. A line has been drawn which represents fairly well this trend of increasing average expenditures for clothing as the average value of family living rises.

Both the Tennessee Farm Security Administration families and those contacted by the Extension Service are at the lower end of the scale for average value of family living, as shown on the chart; the Illinois families are at the upper end of the scale. It is evident, therefore, that the Extension Service secured account books from families in Illinois that had higher average values of family living than those studied in Tennessee. Since we do not have, from this material, the relationship between income and value of family living, we cannot state how representative these records are of the States; for example, how representative the Illinois records are of the State of Illinois.

Although size of the family undoubtedly affects clothing expenditures, this has not been taken into account in preparing the chart.

Illinois Farm Household Accounts

Some of the States attempted to analyze the material by family type and value of family living. The influence of family size and age composition in its relationship to total value of family living at each level can be seen from such a presentation of data.

Only two of the reports, Illinois and Tennessee, gave this detailed material. On the accompanying Illinois table we have presented data for families classified in $500 intervals by value of family living. All family types combined are shown, and family types 1 and 4 separately.

As an example of the use of this table, the families of type 1 having a value of family living in the range $1,000-$1,499 may be compared with the families of type 4 at the same level. These two groups of families had about the same average value of family living; $1,287 for the families of type 1 (husband and wife only), and $1,341 for the families of type 4 (husband, wife, one person 16 or over, and one or no other person). Of the total average value of family living, in both instances 61 percent was expenditures for goods and services and 39 percent, value of farm-furnished goods. The average value of food, purchased and farm-furnished, was $504 for the families of three or four persons as compared with $430 for the small families of two persons. The average expenditures for clothing were also higher for the larger families, $124 as compared with $82, as would be expected. However, the value of farm-furnished housing, and expenditures for housing, household operation, and furnishings and equipment were smaller for the families of type 4 than for those of type 1.

Tennessee Farm Household Accounts

The Tennessee data are similar to those for Illinois. The general level of family living was lower for the group of families studied in Tennessee than for those in Illinois. For families of type 4 having a value of family living in the range $1,000-$1,499, the average value of family living in Tennessee and in Illinois was about the same, $1,318 as compared with $1,341. The total value of food, purchased and farm-furnished, was considerably higher in Tennessee, $629 as compared with $504, even though the families were of the same average size and had about the same total value of family living. The average value of farm-furnished housing was lower in Tennessee than in Illinois, $102 as compared with $181. Average expenditures for clothing were also lower in Tennessee. Thus, these two tables may be used to show how farm family-living patterns differ between States when both family type and value of family-living level are comparable.

FARM HOUSEHOLD ACCOUNTS, 1938 1/: Average value of goods furnished by the farm for family use and average expenditures for major groups of goods and services; 2,234 farm families in 17 States

State	Counties	Family accounts	Average size of family 2/	Average value of family living	Average value of farm-furnished goods				Average expenditures for goods and services												Change in net worth 9/
					Total	Food 3/	Housing 4/	Other 5/	Total	Food	Clothing	Household operation	Housing 6/	Furnishings and equipment	Medical care	Automobile 7/	Education, reading, recreation	Gifts, welfare, selected taxes	Other 8/	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	No.	No.	Persons	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
California	6	27	10/3.6	11/ 1,102	11/ 77	10/ 77	12/	12/	1,025	13/ 316	99	14/ 124	13/15/ 101	16/ 87	61	124	13/16/17/ 50	35	14/ 28	113
Connecticut	8	41	4.3	1,689	655	329	280	46	1,034	330	94	194	10	56	63	101	105	64	17	190
Delaware	3	25	3.6	11/ 902	11/175	159	12/	16	727	13/ 196	77	96	13/ 15	62	45	121	13/17/ 33	18/ 52	18/ 30	150
Illinois	62	365	3.9	1,818	635	387	231	17	1,183	13/ 233	144	146	13/ 104	99	75	133	13/17/ 105	84	60	555
Northern	21	122	4.0	1,983	662	421	244	17	1,301	13/ 249	149	175	13/ 144	95	89	144	13/17/ 110	91	55	546
Central	21	156	3.8	1,785	611	365	233	13	1,174	13/ 246	152	145	13/ 63	105	76	133	13/17/ 101	87	66	619
Southern	20	87	3.7	1,655	622	390	209	23	1,033	13/ 187	120	107	13/ 119	95	55	118	13/17/ 108	69	55	447
Iowa	39	158	4.5	1,605	512	271	220	21	1,093	13/ 259	153	19/ 128	13/20/ 25	16/ 93	21/ 77	160	13/16/22/ 92	70	19/21/22/ 36	20/167
Kansas	39	145	3.1	1,254	389	233	10/135	21	865	220	116	19/ 92	23	86	21/ 67	68	23/ 84	83	19/21/23/ 26	94
Louisiana	4	19	4.2	11/ 1,453	11/615	600	12/	15	638	161	138	79	14	54	66	108	100	24/ 67	24/ 51	217
Maine	10	36	4.0	1,282	566	245	234	87	/16	207	82	19/ 111	16	33	21/ 35	91	22/ 59	52	19/21/22/ 30	124
Maryland	14	22	3.9	1,583	570	322	216	32	1,013	226	115	199	18	81	55	123	80	25/ 65	25/ 51	12/
Michigan	11	18	4.0	1,247	413	10/207	10/155	10/51	834	224	26/ 89	109	27/ 22	27/ 87	45	10/127	40	55	26/ 36	518
Missouri	15	69	5.2	11/ 812	11/237	225	12/	12	575	127	69	59	12	43	25	99	44	62	35	100
Nebraska	52	205	3.9	1,036	377	198	152	27	659	186	28/101	72	20	52	29/ 45	64	29/30/ 71	43	28/29/30/ 5	83
Nevada	6	72	5.3	1,557	485	269	216	0	1,072	336	107	31/ 130	38	16/ 65	80	96	16/32/ 160	32/	31/ 60	119
Ohio	16	30	4.2	11/ 1,122	11/220	200	12/	20	902	206	110	31/ 129	20/ 44	66	71	102	30/33/ 71	33/ 78	30/31/ 25	20/109
Oklahoma	35	150	4.0	11/ 870	395	291	95	9	11/ 475	158	72	40	15/ 56	50	29/ 23	12/	29/30/ 42	25/ 25	25/29/30/ 9	41
Tennessee	42	198	4.0	975	482	359	101	22	493	97	74	59	45	33	28	53	38	25/ 31	25/ 35	63
Texas	19	27	4.7	11/ 1,175	11/368	368	12/	12/	11/ 807	208	139	57	34/	34/ 138	35/ 93	12/	123	25/ 49	25/35/	12/
FSA BORROWERS 36/-																				
Oklahoma	1	98	4.5	11/ 581	11/283	278	12/	5	11/ 298	145	51	53	34/	34/ 4	21	12/	14	12/	10	277
Tennessee	38	164	5.4	11/ 452	11/287	10/287	12/	12/	165	71	38	8	0	7	10	5	5	25/ 2	25/ 19	35

Footnotes to accompany Farm Household Accounts, 1938

1/ Data are for the calendar year 1938 with the following exceptions: Louisiana 1936-37 and Maine 1938-39.

2/ These are year-equivalent persons in Louisiana and Nevada.

3/ Committee recommended evaluation method: Price the same as the farmer received for similar food products sold in similar quantity. Followed in California, Delaware, Iowa, Maryland, Missouri, Nebraska, Nevada, Ohio, Oklahoma, and Texas. Retail prices used in Illinois, Louisiana, Tennessee, and Tennessee FSA; in Connecticut farm prices were used for some products and retail prices for others. Prices at the most likely place of purchase were used in Kansas, Maine, and Michigan. The method used for the Oklahoma FSA report was not given.

4/ Committee recommended evaluation method: 9 or 10 percent of estimated valuation for owners and 11 or 12 percent for renters. Followed in Oklahoma. In Connecticut the value of the house was set at $280. In Illinois the estimated yearly rental value minus expenditures for cash repairs and fire insurance premiums was used. The Iowa and Nevada reports used 10 percent of the inventory value, while in Kansas 6 percent of the beginning inventory value plus depreciation was used. Ten percent of the estimated valuation of the house was used in Maine, Maryland, and Tennessee, and 9 percent in Nebraska. In Michigan the valuation was based on the present value and life of the house. Housing was not evaluated in California, Delaware, Louisiana, Missouri, Ohio, Oklahoma FSA, Tennessee FSA, and Texas.

5/ Includes fuel only in Connecticut, Delaware, Iowa, Louisiana, Maine, Maryland, Michigan, Nebraska, Ohio, Oklahoma FSA, and Tennessee; fuel and other products in Kansas and Missouri; fuel and soap in Oklahoma; and fuel, soap, and farm gifts in Illinois. Nevada had no farm-furnished fuel. Committee recommended evaluation method: Price the same as the farmer received for similar products sold in similar quantity. Followed in Delaware, Iowa, and Missouri. Retail prices used in Connecticut, Illinois, Nebraska, Oklahoma, and Tennessee. Price at most likely place of purchase used in Kansas, Maine, and Michigan. Local price minus any paid labor costs used in Maryland. Method was not reported in Louisiana, Ohio, and Oklahoma FSA. Not evaluated in California, Tennessee FSA, and Texas.

6/ Includes repairs and replacements on family home; insurance premiums on family home; and other expenses such as rent at school and pay for lodging for members of the family while traveling or on vacation.

7/ Includes family share of automobile operation expense and purchase price.

8/ Includes travel and transportation other than automobile, personal care, tobacco, unitemized personal expenditures, and other family expenditures such as funerals, cemetary lots, and legal services.

9/ Includes all changes in assets and liabilities, as for example, changes in amount of savings, investments, unpaid bills, mortgages due, and the value of changes in the amount of livestock owned and of crops stored for sale. All of the changes listed are net increases. The average reported for each group is a net figure which takes account of all increases and decreases reported by the families included, with the following exceptions: Savings only in California, Connecticut, and Maine; life insurance, savings, and payments on debts in Delaware; interest payments, investments, payments on principal of notes, and life insurance in Illinois; insurance, investments, and payments on notes in Iowa and Tennessee; life insurance and investments in Kansas, Nebraska, and Oklahoma; investments only in

Footnotes to accompany Farm Household Accounts, 1938 -- Continued

Louisiana; life insurance, savings, house improvements, payments on house and debts in Michigan; life insurance, savings, debt retirement, and real estate payments in Missouri; life insurance, savings, and "new houses" in Nevada; insurance and savings in Ohio; and payments on debts and increase in household inventory in Oklahoma FSA. Tennessee FSA does not define their change in net worth. Change in net worth not reported in Maryland and Texas.

10/ Data obtained from fewer than the total number of families studied.

11/ Incomplete total; see items not reported as indicated by 12/.

12/ Not reported.

13/ Room and board at school included under column 18 instead of under columns 14 and 11, respectively.

14/ Travel and transportation other than automobile included under column 13 instead of under column 20.

15/ Rent or taxes on family home and house lot included under column 14.

16/ Radios and musical instruments included under column 15 instead of under column 18.

17/ Vacation expense included under column 18 instead of being itemized by goods and services.

18/ Funeral expenses and legal services included under column 19 instead of under column 20.

19/ Legal services included under column 13 instead of under column 20.

20/ Installation of water systems and electricity included under column 14 instead of under column 21.

21/ Funerals and cemetery lots included under column 16 instead of under column 20.

22/ Travel and transportation other than automobile included under column 18 instead of under column 20.

23/ Tobacco included under column 18 instead of under column 20.

24/ Burial insurance included under column 19 instead of under column 20.

25/ Other family expenses such as funerals, cemetery lots, and legal services included under column 19 instead of under column 20.

26/ Expense for personal care separated from clothing as entered in the report, on the basis of 11 instead of 18 accounts, and included under column 20 in this table.

27/ Estimated value based on $109 for "housing, furnishings and equipment."

28/ Expense for personal care separated from clothing as entered in the report, on the basis of 116 instead of 205 accounts, and included under column 20 in this table.

29/ Travel and transportation other than automobile included under purpose for which undertaken instead of under column 20.

30/ Tobacco and unitemized personal expenditures included under column 18 instead of under column 20.

31/ Other family expense such as funerals, cemetery lots, and legal services included under column 13 instead of under column 20.

32/ Gifts, welfare, and selected taxes included under column 18 instead of being shown separately.

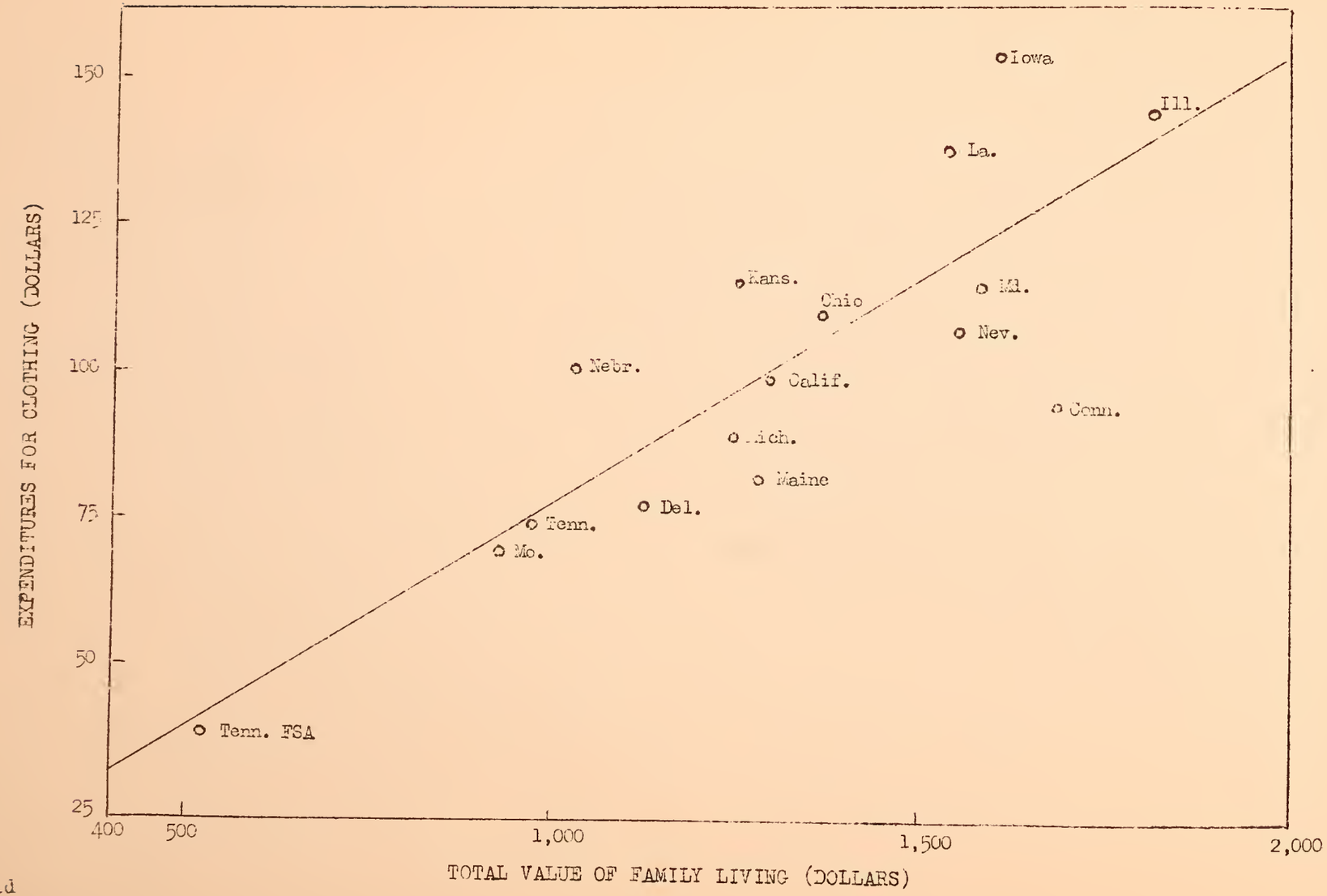
33/ Organization dues included under column 19 instead of under column 18.

34/ Housing included under column 15 instead of being shown separately.

35/ Expenditures for personal care, tobacco, and unitemized personal expenditures included under column 16.

36/ The borrowers from the Farm Security Administration are low-income families.

EXPENDITURES FOR CLOTHING, BY TOTAL VALUE OF FAMILY LIVING
Based on Household Accounts of Farm Families in 15 States, 1938



State	Total value of family living	Expenditures for clothing
Tennessee FSA	1/ $522	$38
Missouri	2/ 932	69
Tennessee	975	74
Nebraska	1,036	101
Delaware	2/ 1,127	77
Michigan	1,247	89
Kansas	1,254	116
Maine	1,282	82
California	1/ 1,297	99
Ohio	2/ 1,372	110
Louisiana	2/ 1,543	138
Nevada	1,557	107
Maryland	1,583	115
Iowa	1,605	153
Connecticut	1,689	94
Illinois	1,818	144

1/ Includes estimated value of farm-furnished housing and fuel.
2/ Includes estimated value of farm-furnished housing.

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ILLINOIS FARM HOUSEHOLD ACCOUNTS, 1938: Average value of goods furnished by the farm for family use and average expenditures for major groups of goods and services, by family type and value of family living; 365 farm families

Family type and value of family living class (dollars)	Family accounts	Average 1/ value of family living	Average 1/ value of farm-furnished goods				Average 1/ expenditures for goods and services										
			Total	Food 2/	Housing 3/	Other 4/	Total	Food 5/	Clothing	Household operation	Housing 5/	Furnishings and equipment	Medical care	Automobile and other transportation	Education, reading, recreation 5/ 6/	Gifts, welfare, selected taxes	Other 7/
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	Number	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
All family types 8/...	365	1,818	635	387	231	17	1,183	233	144	146	104	99	75	136	105	84	57
500 - 999.....	25	857	444	286	139	19	413	112	55	62	7	29	30	45	28	28	17
1,000 - 1,499.....	132	1,292	542	332	194	16	750	181	98	98	30	55	55	98	49	58	28
1,500 - 1,999.....	97	1,738	657	400	242	15	1,081	238	134	139	67	100	65	120	86	80	52
2,000 - 2,499.....	71	2,282	738	456	261	21	1,544	275	201	177	100	152	105	188	151	102	93
2,500 and over.....	40	3,529	830	481	333	16	2,699	392	271	318	505	195	143	264	304	185	122
Family type 1 9/.....	76	1,470	504	280	212	12	966	177	93	114	134	104	45	110	49	79	61
500 - 999.....	14	953	385	253	117	15	568	101	52	65	20	33	34	45	29	26	163
1,000 - 1,499.....	36	1,287	508	265	229	14	779	165	82	111	52	72	49	101	46	69	32
1,500 - 1,999.....	21	1,716	547	310	227	10	1,169	224	127	133	128	144	44	150	60	111	48
Family type 4 10/....	50	1,965	621	379	229	13	1,344	228	179	152	73	104	75	154	173	122	84
1,000 - 1,499.....	16	1,341	520	331	181	8	821	173	124	86	31	37	67	117	58	71	57
1,500 - 1,999.....	11	1,734	694	450	232	12	1,040	238	129	144	51	51	71	117	75	84	80
2,000 - 2,499.....	16	2,219	662	383	261	18	1,557	225	231	174	87	165	76	178	209	132	80

1/ Averages based on the number of families in each value of family living class, column 2.
2/ Evaluated at retail prices.
3/ Estimated yearly rental value minus expenditures for cash repairs and fire insurance premiums.
4/ Includes farm-furnished fuel, soap, and farm gifts evaluated at retail prices.
5/ Room and board at school included under column 16 instead of under columns 12 and 9, respectively.
6/ Vacation expense included under column 16 instead of being itemized by goods and services.
7/ Includes personal care, tobacco, unitemized personal expenditures, and other family expenditures such as funerals, cemetery lots, and legal services.
8/ The number of family accounts classified by family type is as follows: Type 1, 76; type 2, 49; type 3, 60; type 4, 50; type 5, 30; type 6, 54; type 7, 18; other, 28.
9/ Includes 5 families with value of family living in the $2,000 or over class, for which averages are not shown separately.
10/ Includes 1 family with value of family living under $1,000, and 6 families with value of family living in the $2,500 or over class, for which averages are not shown separately.

TENNESSEE FARM HOUSEHOLD ACCOUNTS, 1938: Average value of goods furnished by the farm for family use, and average expenditures for major groups of goods and services, by family type and value of family living; 198 farm families

Family type and value of family living class (dollars)	Family accounts	Average 1/ value of family living	Average 1/ value of farm-furnished goods				Average 1/ expenditures for goods and services										
			Total	Food 2/	Housing 3/	Fuel 2/	Total	Food	Clothing	Household operation	Housing	Furnishings and equipment	Medical care	Automobile and other transportation	Education, reading, recreation	Gifts, welfare, selected taxes 4/	Other 4/ 5/
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	Number	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
All family types 6/ 7/	198	975	482	359	101	22	493	97	74	59	45	33	28	71	38	31	17
Under 500.....	38	444	248	181	53	14	196	62	34	27	9	15	11	15	8	10	5
500 - 999.....	107	827	436	332	80	24	391	87	64	47	37	25	21	52	20	23	15
1,000 - 1,499.....	37	1,328	643	477	140	26	685	126	97	75	57	51	33	127	47	48	24
1,500 - 1,999.....	14	1,903	813	570	222	21	1,090	177	135	123	125	71	96	181	91	65	26
Family type 1 8/...	30	689	332	216	92	24	357	74	51	49	45	23	16	42	13	30	14
Under 500.....	11	462	266	174	62	30	196	52	36	30	9	8	16	19	6	13	7
500 - 999.....	18	769	354	235	101	18	435	87	58	60	63	29	16	49	17	38	18
Family type 4 9/...	41	1,054	506	354	135	17	548	95	77	62	50	42	26	73	75	29	19
Under 500.....	7	539	350	234	108	8	189	63	27	26	22	7	6	19	7	10	2
500 - 999.....	22	832	425	304	100	21	407	78	61	43	44	31	23	68	22	22	15
1,000 - 1,499.....	6	1,318	619	514	102	3	699	115	69	102	37	75	14	98	114	53	22

1/ Averages are based on the number of families in each value of family living class, column 2.
2/ Evaluated at retail prices.
3/ 10 percent of the estimated valuation of the house.
4/ Other family expenditures such as funerals, cemetery lots, and legal services included under column 17 instead of under column 18.
5/ Includes personal care, tobacco, and unitemized personal expenditures.
6/ Of the families whose accounts were tabulated, 180 were classified by family type, as follows: Type 1, 30; type 2, 19; type 3, 17; type 4, 41; type 5, 26; type 6, 14; type 7, 16; type 8, 7; broken families, 10.
7/ Includes 2 families with value of family living in the $2,000 or over class, for which averages are not shown separately.
8/ Includes 1 family with value of family living in the $1,000 - $1,499 class for which averages are not shown separately.
9/ Includes 6 families with value of family living in the $1,500 or over class for which averages are not shown separately.

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
Washington, D. C.

SUMMARY OF 23 STUDIES OF FARM FAMILY LIVING FROM 20 STATES, 1939

Twenty-three reports presenting data on family living expenditures, the value of farm-furnished products, and other facts about 2,573 white farm families 1/ that kept household accounts in 1939 have been received from 20 States. Eighteen of these studies were of families that cooperated with representatives of the Extension Service; five were of families that were borrowers from the Farm Security Administration.

Families joining with others in the State account keeping projects of the Extension Service were not selected by any sampling procedure. Since they were self-chosen, they probably are not representative of all farm families in the State, nor even of all farm families reached by the Extension Service. Records of families borrowing from the Farm Security Administration are more likely to represent the entire group of these borrowers since all families reached are asked to keep records and are given some help in this undertaking. It is recognized that this group of borrowers is from the lower-income farm population.

About half of the reports gave some data on income which would make it possible to compare similar income groups from State to State. For example, the group with incomes of $500 to $1,000 may be compared even though some of the State reports included families above this level, while others included only this level. However, many of the reports did not state what was included in the income figures given.

1/ The data presented in the summary table are probably for white unbroken farm families only. However, each State report did not carry a statement as to race, marital status, and residence (farm and nonfarm) of the families included.

10/21/40

Analysis of data by family type and income makes the studies more helpful to individual families and to the field personnel dealing with these families. For instance, a family of four consisting of a husband, wife, and two children under 16 years of age, with an income of $900, would be able to ascertain the family living patterns of other farm families in the same family type-income group. If income data are not available, it is suggested that the analysis may be by family type and value of family living. Fourteen of the studies presented data either by family type or by value of family living class, and four of these summarized the material by income for specific family types. Definitions of family income, value of family living, and family type, as recommended by the Committee on the Analysis of Household Account Books, are given on page 3.

Methods of classifying the various items in the household account books differed in some of the States. Also the contents of the categories used were frequently not stated. For example, it was not known whether the expenditures for transportation other than automobile were listed under the purposes for which they were undertaken or were combined with automobile or some other category. The categories shown in the State reports have been adapted insofar as possible to fit the column headings on the summary table, which are in accord with the Committee recommendations for a uniformity in classification. An attempt has been made to indicate the differences between the State summaries and the Committee recommendations in the footnotes to this summary table. The recommendations made by the Committee are given in detail on attached sheets.

Definitions of family income, value of family living, and family type

NET FAMILY INCOME.--Net farm money income (gross money receipts from farming minus deductible farm business expense), plus net farm nonmoney income which is composed of the money value of goods (food, housing, fuel, and other products) furnished by the farm for family use plus or minus the net change in value of crops stored and livestock owned, plus net nonfarm money income which is composed of net money earnings from nonfarm employment and net money income from sources other than earnings.

VALUE OF FAMILY LIVING.--Value of all goods and services purchased for family living, and value of food, fuel, and other goods received from the farm including occupancy of the farm dwelling.

FAMILY TYPE.--The classification as one of nine types depended on the number and age groupings of persons other than husband and wife, as follows:

Family type	Number of year-equivalent persons (including husband and wife) 2/	Persons other than husband and wife
1	2	None
2	3	1 child under 16
3	4	2 children under 16
4	3 or 4	1 person 16 or older with or without 1 other person, regardless of age
5	5 or 6	1 child under 16; 1 person 16 or older; and 1 or 2 others regardless of age
6	5 or 6	3 or 4 children under 16
7	7 or 8	1 child under 16; and 4 or 5 others regardless of age
8	5 or 6	3 or 4 persons 16 or older
9	7 or more	5 or 6 persons 16 or older; 7 or more persons, regardless of age (all combinations of 5 or more persons not included in type 7)

2/ Year-equivalent person.--Equivalent to one person in the family for the report year (52 weeks). For the classification of a family by type, persons other than husband and wife 16 or older were separated from those under 16 and the total weeks of membership for either age group was obtained. Fewer than 27 weeks of membership for either age group were not counted; 27 to 79 weeks of membership were considered one year-equivalent person.

FARM HOUSEHOLD ACCOUNTS, 1939 1/: Average value of goods furnished by the farm for family use and average expenditures for major groups of goods and services; 2,573 farm families in 20 States

State	Counties	Family accounts	Average size of family 2/	Average value of family living	Average value of farm-furnished goods				Average expenditures for goods and services											Change in net worth 9/
					Total	Food 3/	Housing 4/	Other 5/	Total	Food	Clothing	Household operation	Housing 6/	Furnishings and equipment	Medical care	Automobile 7/	Education, reading, recreation	Gifts, welfare, selected taxes	Other 8/	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20	(21)
	No.	No.	Persons	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
California	8	25	3.6	10/1,459	10/ 96	11/ 96	12/	12/	1,363	13/288	109	14/15/16/162	13/17/139	16/18/ 78	14/ 62	270	13/14/18/19/ 127	78	14/15/ 50	314
Connecticut	8	39	4.3	1,553	536	325	165	46	1,017	335	89	20/21/ 184	13/22/ 51	37	89	77	13/ 23/ 84	21/58	20/23/ 13	142
Delaware	3	47	3.2	1,298	400	175	206	19	898	240	84	127	29	70	55	153	49	58	33	11/228
Illinois	64	472	3.8	1,814	586	338	231	17	1,228	13/227	150	24/ 156	13/ 93	104	25/ 81	26/ 170	13/ 19/ 123	85	24/ 26/ 39	437
Iowa	43	188	4.4	1,668	497	242	233	22	1,171	13/249	154	27/ 138	13/28/38	18/ 106	29/ 89	157	13/18/30/ 112	80	27/29/30/48	12/
Kansas	39	127	4.0	1,156	364	227	118	19	792	207	111	24/ 93	22	78	64	73	63	52	24/ 29	77
Louisiana	11	29	3.4	10/1,064	10/ 362	340	12/	22	702	128	97	61	9	45	42	193	42	43	42	12/
Maine	10	47	4.0	1,278	458	169	206	83	820	268	84	121	20	44	46	98	63	43	33	146
Michigan	13	22	3.5	1,272	526	292	193	41	746	197	100	99	31/	31/ 88	38	26/ 95	44	43	26/ 42	307
Minnesota (Southeastern)	16	107	3.5	1,401	465	221	32/202	42	936	277	100	124	31/	31/ 118	76	74	53	56	58	119
Mississippi	18	50	4.0	875	485	361	89	35	390	88	72	30	24	28	19	56	30	19	24	188
Nebraska	55	185	3.8	1,049	352	181	145	26	697	188	33/109	34/ 89	25	34/ 56	50	70	35/ 66	44	33/35/	83
Nevada	7	63	4.4	1,624	461	259	202	0	1,163	330	110	36/ 148	57	18/ 93	14/ 77	37/ 104	14/18/37/38/182	38/	14/36/ 62	99
Ohio	25	41	4.1	10/1,123	10/ 225	11/172	12/	11/53	898	201	103	134	39/ 76	82	43	40/ 94	68	73	24	39/116
Oklahoma	46	41/250	4.5	1,172	531	420	100	11	641	13/ 161	86	24/ 49	13/31/	31/42/62	14/ 41	143	13/14/35/ 53	43/ 35	14/24/35/43/11	265
South Carolina	20	43	6.7	10/ 849	10/ 432	11/383	12/	11/49	10/ 417	106	74	40	4	52	29	12/41/	42	45	25	47
Tennessee	34	139	4.5	890	475	351	99	25	415	81	66	49	29	28	27	46	44	43/25	43/ 20	46
Washington	12/	18	4.8	10/1,393	10/ 535	453	12/	82	858	246	105	121	50	35	48	125	65	36	27	214
FSA BORROWERS 45/-																				
Iowa	1	133	4.2	10/ 576	10/ 263	263	12/	12/	10/ 313	110	53	29	31/	31/ 41	34	12/	46/ 30	46/	16	12/
North Dakota	2	85	12/	10/ 885	10/ 426	426	12/	12/	10/ 459	161	90	69	12/	52	22	12/	20	15	30	12/
Oklahoma	6	120	5	10/ 542	10/ 285	273	12/	12	10/257	115	50	23	12/	20	21	12/	14	12/	14	12/
Tennessee	80	103	5	10/ 680	10/ 384	11/384	12/	12/	296	90	59	19	4	26	23	25	13	5	32	12/
Texas	12	240	4.5	10/ 495	10/ 257	246	12/	11	10/ 238	113	41	20	12/	20	18	12/	13	12/	13	12/

Footnotes to accompany Farm Household Accounts, 1939

1/ Data are for the calendar year 1939.

2/ These are year-equivalent persons in Delaware, Louisiana, Minnesota and Nevada.

3/ Committee recommended evaluation method: Price the same as the farmer received for similar food products sold in similar quantity. Followed in California, Delaware, Iowa, Minnesota, Mississippi, Nebraska, Nevada, Ohio, South Carolina, Oklahoma FSA, and Texas FSA. Retail prices were used in Illinois, Louisiana, Tennessee, Washington, Iowa FSA, and Tennessee FSA. In Connecticut farm prices were used for some products and retail prices for others. In Oklahoma farm prices were used except in the case of grain products and home-canned food. Prices at the most likely place of purchase were used in Kansas, Maine, and Michigan. Evaluation method not reported in North Dakota FSA.

4/ Committee recommended evaluation method: 9 or 10 percent of estimated valuation for owners and 11 or 12 percent for renters. Followed in Oklahoma and Delaware. In Connecticut and Illinois the estimated yearly rental value minus expenditures for cash repairs and insurance premiums was used. In Iowa, Maine, Mississippi, Nevada, and Tennessee reports used 10 percent of the estimated valuation, while in Kansas 6 percent of the beginning inventory value plus depreciation was used, and 9 percent of the estimated valuation in Nebraska. Minnesota reported ten percent of average value of farm dwelling. Valuation reported for Michigan was computed on the basis of replacement cost of house, total life of house, and its anticipated future use. Housing was not evaluated in California, Louisiana, Ohio, South Carolina, Washington, North Dakota FSA, Oklahoma FSA, Tennessee FSA, Texas FSA, and Iowa FSA.

5/ Includes fuel only in Delaware, Iowa, Maine, Michigan, Minnesota, Mississippi, Ohio, Oklahoma, South Carolina, Tennessee, Washington, Oklahoma FSA, and Texas FSA; fuel and other products in Louisiana; fuel and soap in Kansas; fuel and ice in Nebraska; fuel, ice and soap in Connecticut; and fuel, soap and farm-furnished gifts in Illinois. Nevada had no farm-furnished fuel. Not reported in California, Iowa FSA, Tennessee FSA, and North Dakota FSA. Committee recommended evaluation method: Price the same as the farmer received for similar products sold in similar quantity. Followed in Delaware, Iowa, Minnesota, Mississippi, Nebraska, Oklahoma, Ohio, South Carolina, Oklahoma FSA and Texas FSA. Retail prices were used in Connecticut, Illinois, Louisiana, Tennessee, and Washington. The price at most likely place of purchase was used in Kansas, Maine, and Michigan.

6/ Includes repairs and replacements on family home; insurance premiums on family home; and other expenses such as rent at school and pay for lodging for members of the family while traveling or on vacation.

7/ Includes family share of automobile operation expense and purchase price.

8/ Includes travel and transportation other than automobile, personal care, tobacco, unitemized personal expenditures, and other family expenditures such as funerals, cemetery lots, and legal services.

9/ Includes all changes in assets and liabilities, as for example, changes in amount of savings, investments, unpaid bills, mortgages due, and the value of changes in the amount of livestock owned and of crops stored for sale. All of the changes listed are not increases. The average reported for each group is a net figure which takes account of all increases and decreases reported by the families included, with the following exceptions: Savings, insurance, and investments in California and Connecticut; savings, life insurance, investments, and payments on principal of notes in Illinois; savings and insurance in Kansas, Maine, Nebraska, Nevada, and Ohio; savings, insurance, payments on debts, and improvements on house in Michigan; savings, life insurance, and new housing in Minnesota; difference between average net money income and average family expenditures in Mississippi; life insurance and investments in Oklahoma; savings, insurance, and payments on debts in South Carolina and Washington; savings and payments on debts in Tennessee. Change in net worth not reported in Iowa, Louisiana, and the five Farm Security Administration summaries.

10/ Incomplete total; see items not reported as indicated by 12/.

11/ Data obtained from fewer than the total number of families studied.

12/ Not reported.

13/ Room and board at school included under column 18 instead of under columns 14 and 11, respectively.

14/ Travel and transportation other than automobile included under purpose for which undertaken instead of under column 20.

15/ Interest on debts incurred for family living and rent for safe deposit boxes included under column 13 instead of under column 20.

16/ Fire insurance on furnishings and equipment included under column 13 instead of under column 15. Cut flowers and plants included under column 15 instead of column 13.

17/ Rent or taxes on family home and house lot and interest on mortgage included under column 14.

18/ Radios and musical instruments included under column 15 instead of under column 18.

19/ Vacation expense included under column 18 instead of being itemized by goods and services.

20/ Travel and transportation other than automobile included under column 13 instead of under column 20.

21/ Poll tax is included under column 13 instead of under column 19.

22/ Includes one-half the taxes and interest on the mortgage, in addition to fire insurance, and repairs and replacements on family home.

23/ Tobacco included under column 18 instead of under column 20.

Footnotes to accompany Farm Household Accounts, 1939 -- Continued

24/ Rent for safe deposit boxes included under column 13 instead of under column 20.

25/ Includes expenditures for travel necessitated by health.

26/ Expenditures for transportation other than by automobile included under column 17 instead of under column 20.

27/ Legal services included under column 13 instead of under column 20.

28/ Installation of water systems and electricity included under column 14 instead of under column 21.

29/ Funerals and cemetery lots included under column 16 instead of under column 20.

30/ Travel and transportation other than automobile included under column 18 instead of under column 20.

31/ Housing included under column 15 instead of being shown separately.

32/ Based on data obtained from 154 families instead of 107 families.

33/ Personal care included under column 12 instead of under column 20.

34/ Expenditures for furnishings and equipment were separated from expenditures for household operation on the basis of 170 instead of 185 accounts.

35/ Tobacco and unitemized personal expenditures included under column 18 instead of under column 20.

36/ Other family expenditures such as funerals, cemetery lots, and legal services included under column 13 instead of under column 20.

37/ Includes expenditures only for purchase of automobiles. Expenditures for automobile operation are included under column 18 instead of under column 17.

38/ Gifts, welfare, and selected taxes included under column 18 instead of being shown separately.

39/ Expenditures for installation of such facilities as furnace and electricity included under column 14 instead of under column 21.

40/ Includes expenditures for all transportation.

41/ Averages in column (6) through (9) are based on 225 families; averages in columns (10) through (21) are based on 240 families.

42/ Expenditures for taxes and for interest on mortgage on family dwelling are included under column 15 instead of being classified as farm business expenditures.

43/ Other family expenditures such as for funerals, cemetery lots, and legal services included under column 19 instead of under column 20.

44/ Reported as $170 on the basis of 6 records.

45/ The borrowers from the Farm Security Administration are low-income families.

46/ Gifts and welfare included under column 18 instead of being shown separately.

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
Washington, D. C.

CLASSIFICATION OF ITEMS USED IN THE SUMMARY OF FARM HOME ACCOUNT BOOKS 1/

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Counties	Family accounts	Average 2/ size of family	Average 2/ value of family living	Average 2/ value of farm-furnished goods			
					Total	Food	Housing	Other
The section of state, such as Northern or Central, if home account books were not from State as a whole.	The number of counties in which the families whose accounts were included in the summary reside.	The number of families whose accounts were included throughout all the tabulations (Native-white families including a husband and wife)	Year-equivalent persons in economic family.	Value of farm-furnished goods (column 6) plus expenditures for all goods and services (column 10)	Sum of columns 7, 8, and 9.	Value of farm-furnished food (Evaluation method: Price the same as farm families would have paid if they had bought similar quantities and qualities from neighbors).	9 percent of present estimated value of dwelling 3/ on an owned farm and 11 percent of estimated value 3/ on a rented farm, except in Southeast and Southwest where 10 and 12 percent were used because of the more rapid depreciation of farm houses.	Value of farm-furnished fuel, ice, and other products such as wool, tobacco, and homemade soap. (Evaluation method: Price the same as farm families would have paid if they had bought similar quantities and qualities from neighbors).

1/ Classification for uniformity recommended by Committee on the Analysis of Household Account Books; see C 216, Parts I and II.
2/ Averages to be based on total number of families, column 3.
3/ In estimating present value of house, its replacement value, as estimated by the family, was reduced to present value by taking account of the age of the house and the family's estimate of its remaining years of usefulness. For example, if the probable replacement value of the house was $1,600, its probable life 40 years, and its present age 10 years, its estimated value would be $1,200 ($1,600 divided by 40, multiplied by 30).

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BUREAU OF HOME ECONOMICS
Washington, D. C.

CLASSIFICATION OF ITEMS USED IN THE SUMMARY OF FARM HOME ACCOUNT BOOKS 1/ -- Contd.

Column 10	Column 11	Column 12	Column 13	Column 14	Column 15
Average 2/ expenditures for goods and services					
Total	Food	Clothing	Household operation	Housing	Furnishings and equipment
Sum of columns 11 through 20	Food purchased and consumed at home or away from home Meals at work Board at school Meals while traveling or on vacation Other meals away from home Ice cream, candy Soft drinks, beer, other drinks	Purchase of wearing apparel Dry cleaning Other upkeep of clothing (excluding laundry) Materials and help for sewing	Fuel Light Refrigeration Household help Miscellaneous items: Telephone Water rent Laundry sent out Laundry supplies Stationery Postage Telegrams Greeting cards Pens, ink, pencils Express Drayage (moving, storing household goods) Matches Toilet paper Paper napkins and towels Shelf and wax paper Clothespins and clothesline Other household supplies Rent of post-office box Cut flowers Lawn seeds and plants	Family home: Insurance Repairs and replacements (Rent, taxes, and interest on mortgage are considered a farm-business expenditure) Other housing: Vacation homes Lodging while away from home, on vacation or at school	Furniture Kitchen, cleaning and laundry equipment Tableware: Glass, china, and silver Floor coverings Household textiles: Linens, bedding, curtains, etc. Miscellaneous items: Window shades Luggage Lamps Pictures Cleaning, repairs, insurance on furniture Canning equipment: including jars, cans, and rubbers Other items

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Washington, D.C.

CLASSIFICATION OF ITEMS USED IN THE SUMMARY OF FARM HOME ACCOUNT BOOKS 1/--Contd.

Column 16	Column 17	Column 18	Column 19	Column 20	Column 21
Average 2/ expenditures for goods and services					Change in net worth
Medical care	Automobile	Education, reading, recreation	Gifts, welfare, selected taxes	Other family expenditures	
Physician Oculist Dentist Other specialists Clinic visits Hospital room or bed Private nursing service at hospital or at home Special examinations and tests Medicines and drugs (Exclusive of Cod-liver oil and dry milk products, classed as food) Eyeglasses and opticians' fees Medical appliances and supplies Health and accident insurance Other medical care	(Family share only; deduct expenditures chargeable to business) Purchase of automobile, net Operation of automobile Gasoline, oil Accessories Insurance Taxes Parking and garage fees Fines, damages, tolls Other items	Formal education: Tuition School books and supplies Special lessons (Exclude room and board at school) Reading: Newspaper Magazines Books Library fees and rentals Recreation: Paid admissions Equipment for games and sports Other items: Purchase, upkeep of radios, musical instruments Photographic supplies Children's toys Pets Entertaining in and out of home (excludes food) Dues to social and recreational clubs (Vacation expenditures itemized according to goods and services)	Gifts and contributions to persons not members of the economic family Contributions to: Community chest and other welfare agencies Religious organizations Poll and income taxes payable in report year (Excludes taxes on farm dwellings, real estate taxes, automobile taxes, sales taxes.)	Travel and transportation other than automobile Personal care Services Toilet articles and preparations Tobacco Unitemized personal expenditures Other items: Legal services Rent of safety deposit boxes Funeral and cemetary expenditures Garden seeds	Surplus (+) or deficit (-) Increase in assets In money in bank or on hand, in value of farm crops stored for sale or livestock owned, improvements on owned home, life insurance premiums paid, outstanding loans minus Decrease in assets Assets listed above minus Increase in liab.: Mortgages, notes bills due plus Decrease in liab.: Liabilities listed above

U. S. DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
Washington, D. C.

CLASSIFICATION OF ITEMS USED IN THE SUMMARY OF FARM HOME ACCOUNT BOOKS

1. State

The section of the State, such as Northern or Central, if the home account books were not from the State as a whole.

2. Counties

The number of counties from which the farm home account books used in the summary were collected. Counties from which no books were analyzed, i.e., books were collected but rejected from the summary, were not included.

3. Number of Family accounts

The same number of families was included throughout all the tabulations. Only native-white unbroken farm families were analyzed, in order to make the group as homogeneous as possible.

4. Size of family

Size of family was computed on the basis of year-equivalent persons in the economic family.

ECONOMIC FAMILY.--A group of persons living in the same dwelling, sharing a common table, pooling incomes, and dependent upon family funds for most of their support. In addition to such persons living in the home, the economic family as here defined included sons and daughters who were away from home, yet dependent on the family income for at least 75 percent of their support. Sons or daughters living at home, who earned but paid nothing for room and board, and guests who lived in the household 27 weeks or longer during the year, making no payment for room or board, are considered family members. Information concerning the income and expenditures of all such members was required.

The economic family does not include related dependents, such as aged parents living apart from the family, sons in Civilian Conservation Corps, sons and daughters who have separated their finances from those of the parents and are living at home as roomers or boarders, persons living in institutions at no expense to the family.

YEAR-EQUIVALENT PERSON.--Equivalent to one person in the family for the report year (52 weeks). For the classification of a family by type, persons other than husband and wife 16 or older were separated from those under 16 and the total weeks of membership for each age group was obtained. Fewer than 27 weeks of membership for either age group were not counted; 27 to 79 weeks of membership were considered one year-equivalent person.

In computing averages for a group of families the following method of handling year-equivalents was used:

The number of year-equivalent persons under 16 and 16 or older was computed for each family by converting the number of weeks of membership to year-equivalents as described above; the sum of these figures was divided by the number of families in the group for which an average was desired. The number of year-equivalent persons under 16 and 16 or older, plus the husband and wife (who represented two year-equivalents) gave the total number of year-equivalent persons in the economic family.

5. Value of family living

Value of all goods and services purchased for family living, and value of food, fuel, and other goods received from the farm including occupancy of the farm dwelling. See Expenditures for Goods and Services and Value of Farm-furnished Goods. If either of these two items was incompletely reported, this was indicated in the total value of family living.

It is recognized that this figure for value of family living does not represent total value, since it does not include value of all goods received without direct expenditure (clothing, furnishings, automobiles, and radios are among those omitted); nor does it include value of services provided by family members or services received from others.

6. Value of farm-furnished goods, total

Value of food, fuel, and other goods received from the farm including occupancy of the farm dwelling. See Food, Farm-furnished; Housing, Farm-furnished; Other, Farm-furnished. If any of these three items was incompletely reported, this was indicated in the total value of farm-furnished goods.

7. Food, farm-furnished

Value of food produced and consumed at home, including eggs, milk, meat, and poultry; fruits and vegetables; sirup and honey. Fish and game killed for food were included also. Values were based on prices that the farmer would have paid if he had purchased from neighboring farms similar food products in similar quantities to those furnished by his farm. Deduction of expenditures for production was not made; these were handled as farm expenditures. Only such items as garden seeds were handled as family expenditures; see Expenditures, Other. Value of food served to farm help and boarders was deducted.

8. Housing, farm-furnished

Value of the year's occupancy was arbitrarily set at 9 percent of the present estimated value of the dwelling on an owned farm, and 11 percent of the estimated value of the dwelling on a rented farm, except in the Southeast and Southwest, where 10 and 12 percent were used because of the more rapid depreciation of farm houses. These percentages were based on interest rates, taxes, depreciation, and a reasonable return on money invested. In estimating present value of the house, its replacement value, as estimated by the family, was reduced to present value by taking account of the age of the house and the family's estimate of its remaining years of usefulness. For example, if the probable replacement value of the house was $1,600, its probable life 40 years, and its present age 10 years, its estimated value would be $1,200 ($1,600 divided by 40, multiplied by 30).

9. Other, farm-furnished

Value of fuel, ice, and other products such as wool and tobacco. Values were based on prices that the farmer would have received for similar products sold in similar quantities. Deduction of expenditures for production was not made; these were handled as family expenditures. See Expenditures, Other.

10. Expenditures for goods and services, Total

Money expenditures incurred for family living, whether or not payments have been made. All items of expenditure were classified in 16 expenditure groups: Food; clothing; household operation; housing; furnishings and equipment; medical care; automobile; formal education; reading; recreation; gifts, welfare, selected taxes; travel and transportation other than automobile; personal care; tobacco; unitemized personal expenditures; other family expenditures. For discussion of items included in each group, see heading for specific type of expenditures, such as Automobile Expenditures or Other Family Expenditures for the combination of the last five groups. Value of goods received without direct expenditures was not included; see Value of Family Living.

11. Food expenditures

Expenditures for all food purchased and consumed by members of the economic family at home or away from home (including board at school) and by paid household help and guests. Expenditures for food of farm help and boarders are excluded (computed by multiplying total number of meals served to such persons by average expenditure per food expenditure unit).

FOOD AT HOME.--Expenditures for all food purchased and prepared at family and vacation homes and meals carried from home. Expenditures for food for pets are excluded.

FOOD AWAY FROM HOME.--Meals and lunches bought at work or school; meals bought while traveling or on vacation and other meals away from home (except on business trips for which reimbursement was made by employer); board for children away at school; ice cream, candy, beverages, etc. bought and consumed away from home. Expenditures for food such as coffee or milk bought to supplement meals carried from home are included.

12. Clothing expenditures

Expenditures for purchase, dry cleaning, and other upkeep (excluding laundry) of all types of wearing apparel, and for help for sewing. Expenditures incurred during months of membership in the economic family during the year were recorded for each family member.

13. Household operation expenditures

Expenditures for fuel, light, refrigeration; household help; and other items of household operation.

FUEL, LIGHT, REFRIGERATION.--Expenditures in family and vacation homes for fuel for heating, cooking, and home plant for electricity; for lighting; and for refrigeration. Expenditures for fuel, light and refrigeration included in rent are excluded.

HOUSEHOLD HELP.--Expenditures for household employees (except seamstress, nurse for care of sick, and extra household help occasioned by farm work, such as cooking for threshers), including uniforms and tips to paid help. Meals furnished to household help were considered part of family food expenditures.

OTHER ITEMS.--Expenditures for items not classified above, as telephone; water rent; laundry sent out; laundry supplies; stationery, postage, telegrams, greeting cards, pens, ink, and pencils for household use; express, freight drayage, moving or storage of household goods; other household supplies such as scouring materials, matches, toilet paper, paper napkins and towels, shelf and waxed paper, clothespins and clotheslines, lawn seeds and plants, cut flowers, rent of post-office box.

14. Housing expenditures

Expenditures incurred during the year for insurance and repairs of owned or rented family homes, and for other housing--vacation homes, and lodging of family members while away from home, on vacation or at school. Expenditures for rooms while on business trips were not included.

FAMILY HOME.--For the farm home, expenditures include only those for insurance and for repairs and replacements paid for by the family. Expenditures for rent, taxes, and interest on the mortgage are not included in housing expenditures; the entire expenditure for such items was considered a farm business expenditure.

OTHER.--All expenditures for owned or rented vacation homes--rent, interest on the mortgage, taxes, assessments, and insurance; lodging for family members while traveling or on vacation, except for business trips; rent at school, and any other expenditures for housing other than the farm home.

15. Furnishings and equipment expenditures

Expenditures for furniture; kitchen, cleaning, and laundry equipment; tableware, such as glass, china, and silver; floor coverings; household textiles, such as linens, bedding, and curtains; miscellaneous items, such as window shades, luggage, lamps, pictures, cleaning, repairs, and insurance on furniture; canning equipment including jars, cans, and rubbers.

16. Medical care expenditures

Expenditures for physician; oculist; dentist; other specialist (includes surgeon, skin specialist, obstetrician, osteopath, chiropractor, and other special practitioners); clinic visits; hospital room or bed; private nursing service at hospital or at home; special examinations and tests, such as X-ray, metabolism, or blood tests; medicines and drugs, exclusive of cod-liver oil and dry milk products for children (these are classed as food expenditures); eyeglasses and optician's fees; medical appliances and supplies; health and accident insurance (includes fees for membership in associations providing such insurance); and other medical care (includes items not classified elsewhere, such as Turkish baths).

17. Automobile expenditures

Net purchase price of new or used automobiles bought during the report year and expenditures for maintenance and operation. Expenditures chargeable to business (farm and nonfarm) were deducted so that this figure is for family share only. See also Travel and Transportation Expenditures, Other.

GROSS PURCHASE PRICE.--The price quoted without a deduction for trade-in allowance for an old automobile. Includes interest on deferred payment but excludes insurance payments even when they were part of the installments and hence included in the contract price.

NET PURCHASE PRICE.--Net after deduction of trade-in allowance for an old automobile. Includes interest on deferred payments but excludes insurance payments even when they were part of the contract price.

OPERATION EXPENDITURES.--All expenditures, exclusive of the outlay for purchase, incident to the ownership of an automobile such as gasoline, oil, accessories, automobile insurance, taxes, parking and garage fees, fines, damages, and tolls.

18. Education, reading, recreation expenditures

Expenditures for formal education, reading, and recreation.

FORMAL EDUCATION EXPENDITURES.--Fees for school tuition, laboratory, and library, for which payment was made during the report year; expenditures for school books and supplies; expenditures for special lessons in music, dancing, art, sports, etc.; other expenditures, such as diploma fees and for supplies for special lessons not classifiable as recreation expenditures. Expenditures for room and for board of persons attending school away from home are classed as expenditures for housing and for food.

READING EXPENDITURES.--Expenditures for daily and weekly newspapers, magazines, books for general reading, book rentals, and library membership fees and fines; excludes school books, picture books for young children, and professional journals and technical books used in connection with work.

RECREATION EXPENDITURES.--Expenditures for admissions, equipment for games and sports, and other recreation.

PAID ADMISSIONS.--Expenditures for family members and guests to motion pictures, lectures, concerts, spectator sports, fairs, circuses, dances, and other admissions such as to amusement parks.

EQUIPMENT FOR GAMES AND SPORTS.--Equipment, supplies, fees, licenses, purchase and upkeep or hire of riding horses, boats, and bicycles.

OTHER RECREATION.--Purchase and upkeep of radios and musical instruments, sheet music, phonograph records; photographic supplies; children's toys and play equipment; pets, entertaining, excluding food and paid admissions; dues to social and recreational clubs; gambling losses; expenditures for hobbies and collections; unclassified spending money. Expenditures for lodging, traveling, or food while on vacation or trips, and uniforms and other clothing used in recreational activities are excluded.

19. Gifts, welfare, and selected taxes, expenditures for

Contributions to support of persons not members of the economic family; gifts to persons outside the family; contributions to community chest and other welfare agencies; contributions to religious organizations; poll and income taxes payable during the report year. Does not include the following taxes: Taxes on farm dwellings which were considered farm business expenditures; real estate taxes (other than on farm dwelling), which were deducted from income received; automobile taxes, which were considered automobile expenditures; and sales taxes, which were included as expenditure for the commodity on which the tax was levied.

20. Other family expenditures

Expenditures for travel and transportation other than automobile, personal care, tobacco, unitemized personal expenditures, and other family expenditures.

TRAVEL AND TRANSPORTATION EXPENDITURES, OTHER THAN AUTOMOBILE.--Expenditures for all family travel and transportation other than by family automobile, such as bus, trolley, and taxi to work, school, or shopping; and travel, except for business, by railroad, interurban bus and trolley, rented automobile, boat, and airplane. This also includes purchase and upkeep of motorcycle, horse and carriage, boat, or other conveyance, after deduction of proportion chargeable to business. Expenditures for bicycles, boats, or other vehicles used primarily for recreation are included in recreation expenditures.

PERSONAL CARE EXPENDITURES.--Expenditures for services and toilet articles and preparations.

SERVICES.--Expenditures at barber shop or beauty parlor for services, such as haircuts, shaves, shampoos, waves, manicures, and facials; including tips.

TOILET ARTICLES AND PREPARATIONS.--Expenditures for toilet soap, dentifrices, shaving soap and cream, cold cream, cosmetics, deodorants, bath salts, brushes, combs, razors, files, hand mirrors, cleansing tissues, powder puffs, sanitary supplies.

TOBACCO EXPENDITURES.--Expenditures for cigarettes, cigars, chewing and smoking tobacco, snuff, pipes, pipe cleaners, humidors, lighters, cigarette holders, and ash trays. Smoking stands are included with furniture; smoking jackets, with clothing.

UNITEMIZED PERSONAL EXPENDITURES.--Expenditures of allowances or money given to individuals for personal care, recreation, "treats," etc., when the amounts have not been itemized into expenditure groups.

OTHER FAMILY EXPENDITURES.--Expenditures for miscellaneous items not properly classifiable in any of the 15 other expenditure groups, such as interest on debts incurred for family living, bank charges, safe deposit boxes, legal services, money lost or stolen, installments paid on repossessed car or furniture, dues to political organizations, funeral expense for members of the economic family, and purchase and upkeep of family cemetery lot. Expense incurred in the production of food at home was handled as farm expenditures; only such items as garden seeds were included here as family expenditures.

21. Change in net worth

(Increase or surplus; decrease or deficit.) Net change in family assets and liabilities during the report year was obtained as follows: Add together the items representing an increase in assets and those representing a decrease in liabilities; from this total substract the sum of decrease in assets and increase in liabilities. If the former sum is greater, an increase in net worth, or surplus, was attained by the family; if the latter sum is greater, a decrease in net worth, or deficit, was sustained. A nonmoney item representing the net increase or decrease in value of crops stored for sale or of livestock owned is included with business investments in addition to the money items. Inheritances or gifts of money not used for current livng were included in both increase and decrease in assets, and were thus excluded from the net figure for change in assets and liabilities. The value of gifts of property not sold or converted to money was excluded from all tabulations.

INCREASE IN ASSETS.--Amount of net increase in money in savings accounts, checking accounts, or on hand; in investments in business including increase in farm crops stored for sale or of livestock; in real estate, stocks, bonds, or other property purchased; improvements on owned home or other real estate; life insurance premiums paid; outstanding loans made during the year; money received from inheritances, not used for family living.

DECREASE IN ASSETS.--Amount of net decrease in money in bank or on hand; in a business investment due to withdrawal of funds or decrease in farm crops stored for sale or of livestock; in real estate, stocks, bonds, or other property due to sales; in value of insurance policies due to surrender or settlement; in value of soldiers' bonus certificates due to payment of the soldiers' bonus; in value of loans made previous to report year due to repayments. Money inheritances not used for family living were also included here as a balancing item, if the funds were invested and included as an increase in assets.

INCREASE IN LIABILITIES.--Amount of net increase in mortgages and notes due to corporations or individuals; in bills due, as rent, taxes, charge accounts, or installment purchases.

DECREASE IN LIABILITIES.--Amount of net decrease in principal of mortgages or in notes; in bills owed at the beginning of report year, as back rents, taxes, charge accounts, or installment purchases.

PP-1

May 21, 1934

SUBMARGINAL LAND PROGRAM

CHECK SHEET - PRELIMINARY CORRESPONDENCE, CONFERENCES, AND PROPOSALS

(L- Letter; T- Telegram; C- Conference; P- Proposal)

From	To	Subject matter and comments

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Home Economics
Family Economics Division

SUMMARY OF STUDIES OF FARM FAMILY LIVING, 1940

A steadily developing interest in the analysis of farm home account books is shown by the increasing number of such reports made in the States. In 1940, 52 reports giving data on family living expenditures, the value of farm-furnished products, and other facts about 10,770 farm families were received from 29 States. This is more than double the number of such reports received the year before. The 1939 summary dealt with 23 studies presenting information about 2,573 farm families in 20 States.

Account keeping projects usually are sponsored by the Extension Service or the Farm Security Administration, and it is through the cooperation of these two agencies that the reports summarized herein were received. The account book studies are made in the States, with the cooperation of State colleges, experiment stations, the National Youth Administration, and the Work Projects Administration.

The reports vary in content. A few present only the major categories of expenditures for goods and services; many include, in addition, the value of farm-furnished goods. Some give detailed data regarding expenditures for medical care, clothing, and furnishings and equipment; quantities of food produced on the farm and used by farm families; amounts of food canned; and facilities and conveniences in the family dwelling.

Some studies present data for certain sections of a State; others, for scattered counties within a State, or for only one county. Nearly all of the studies give the number and names of the counties from which the record books were collected. Some of them include maps and background material, such as the predominant type of agriculture.

Since home account-keepers are self-chosen for the most part, they are not necessarily representative of the population of the area in which they live. Families that are borrowers from the Farm Security Administration keep records as part of their farm and home planning program. The records summarized for these families, therefore, are fairly representative of the entire groups of borrowers. It is recognized that these borrowers are from the lower income farm population.

Summary of farm family living data

The 52 reports presenting data on family living expenditures and the value of farm-furnished products are summarized in table 1, which will be published in "Agricultural Statistics, 1942." Table 2 presents figures from an additional 10 reports that did not give information on farm-furnished goods, thus making it impossible to compute value of family living.

Washington, D. C. December 4, 1941

Insofar as possible these compilations have been restricted to data concerning white, unbroken farm families in order to make the group represented homogeneous. Some of the studies, however, did not carry a statement regarding color, marital status, and residence (farm or nonfarm) of the families.

Averages in the two tables are based on the total number of families that kept account books, regardless of whether they had expenditures for individual items. In a few reports some averages are based on fewer than the total number of families studied; this has been indicated in a footnote. It is desirable to have the same count of families throughout all the tabulations in order to eliminate the possibility of under- or overweighting certain items in computing total expenditures and value of family living.

Data classified by family type and income (or value of family living) are not available for the majority of the studies. Perhaps next year enough of the studies will present material by this 2-way classification so that a supplementary table giving these breakdowns can be shown, and comparisons made of similar groups from State to State.

Recommendations for the analysis of farm home account books, as discussed herein, were formulated as a result of the Conference on Analysis of Household Account Books held in Washington in December 1936 by the Bureau of Home Economics, the Extension Service, and the Farm Security Administration (then the Resettlement Administration). Copies of these recommendations are available upon request to the Family Economics Division of the Bureau of Home Economics.

Classification of families by family type and income

Since spending patterns vary with differences in income and family composition, the account keeper should be able to compare his records with averages for families in his family type-income group. Hardly any of the studies made in the States classify families by income within family-type groups. It is difficult to obtain enough cases for this type of analysis. Many of the studies attempted to classify families by size or composition; others, by income or value of family living. In many of the reports, space has been left for the family to fill in its own figures.

Family type

For uniformity in classification of families by type, based on age and number of year-equivalent family members other than husband and wife, the Committee on the Analysis of Household Account Books recommended the following type groups:

Family type:	Number of year-equivalent persons (including husband and wife)	Persons other than husband and wife
1	2	None
2	3	1 child under 16
3	4	2 children under 16
4	3 or 4	1 person 16 or older with or without 1 other person, regardless of age
5	5 or 6	1 child under 16; 1 person 16 or older; and 1 or 2 others regardless of age
6	5 or 6	3 or 4 children under 16
7	7 or 8	1 child under 16; and 4 or 5 others regardless of age
8	5 or 6	3 or 4 persons 16 or older
9	7 or more	5 or 6 persons 16 or older; 7 or more persons, regardless of age (all combinations of 5 or more persons not included in type 7)

Income and value of family living

Net family income, as defined by the Committee, consists of both farm and nonfarm income, and could be computed by some such worksheet as is shown in the following example:

1.	Gross money income from farming	$1,000
2.	Value of occupancy of farm dwelling (value $1,200 times 9 percent) (see instructions on page 5 for computing value of occupancy of dwelling)	180
3.	Value of products furnished by farm for family use (see instructions on pages 4 and 5 for computing value of food, fuel, etc.)	300
4.	Change in value of crops stored for sale and of livestock owned (may be plus or minus)	-80
5.	Gross farm income (algebraic total of items 1-4)	1,400
6.	Farm business expense	850
7.	Net farm income (item 5 minus item 6)	550
8.	Money earnings from nonfarm employment (includes net income from roomers and boarders)	50
9.	Nonfarm money income other than earnings	10
10.	Total net family income (sum of items 7, 8, and 9)	$610

Family income is defined as net money income from farm and nonfarm sources plus nonmoney income in the form of housing, food, fuel, and other products furnished the household by the farm, and change in value of crops stored for sale and of livestock owned.

Value of family living is defined as money expenditures for family living plus the money value of housing, food, fuel, and other products furnished the household by the farm.

Change in net worth

The difference between family income and value of family living as defined above represents the families' change in net worth for the year. Another way of obtaining change in net worth is to subtract money expenditures for family living from net money income, and then add the change in value of crops stored for sale and of livestock owned. Some families may have ended the year with a surplus, i.e., with a net increase in assets (increase in inventories, checking account, savings account, improvements on home, insurance premiums paid, etc.) or a net decrease in liabilities (payments of debts, mortgages, bills, etc.). Other families may have ended the year with a deficit , i.e., have spent more than they have made, and therefore would have either a net decrease in assets (decrease in inventories, savings account, checking account, etc.) or a net increase in liabilities (increase in debts owed, mortgages, notes due, etc.).

A complete picture of the family's change in net worth is not given in many of the reports. The last column of table 1 (Change in Net Worth, Partial Only) represents, for the most part, increases in some assets (such as savings, insurance, improvements on home), or decreases in some liabilities (such as payments on debts and mortgages). The reverse of the picture--decreases in assets and increases in liabilities--has seldom been reported in State studies, thus making it impossible to compute a net change in assets and liabilities.

Evaluation of farm-furnished goods

Food

The methods of evaluating home-produced food vary among the studies. About a third of the reports did not state what method of evaluation was used; another third used farm prices or retail prices. The remaining third used the method of evaluation that was recommended by the Committee--that goods be valued at the price the family would have paid had it bought products of similar quantity and quality from neighbors, or from the most likely place of purchase.

Housing

In the reports are given various methods of computing the value of farm-furnished housing, i.e., "use value" of the farm dwelling. The following method was recommended by the Committee: 9 percent of present estimated value of dwelling on an owned farm and 11 percent of estimated value on a rented farm, except in the Southeast and Northwest where 10 and 12 percent are recommended because of the more rapid depreciation of farm houses. These percentages were based on interest rates, taxes, depreciations, and a reasonable return on money invested.

In estimating the present value of a house, its replacement value as estimated by the family is reduced to present value by taking account of the age of the house and the family's estimate of its remaining years of usefulness. For example, if the probable replacement value of the house is $1,600, its probable life 40 years, and its present age 10 years, its estimated value would be $1,200 ($1,600 divided by 40, multiplied by 30).

Other farm-furnished goods

This category is defined to include such items as fuel and ice used for household operation, homemade soap, wool, feathers used for pillows, and tobacco raised on the farm for family use. The method of evaluation recommended by the Committee is the same as that for farm-furnished food--that goods be valued at the price the family would have paid had it bought products of similar quantity and quality from neighbors, or from the most likely place of purchase.

Classification of items

The categories in the summary table are defined according to classifications agreed upon by the Committee (see below, Classification Sheets). In summarizing the 62 studies, differences in classification were met, and these are covered insofar as possible by footnotes. Many of these State studies, however, do not carry definitions of categories.

Automobile expenditures

Automobile expenditures are usually defined to include only the family share of net purchase price of automobiles and of the expenditures for operation, such as gasoline, oil, accessories, insurance, taxes, parking in garages, fees, fines, damages, and other items. When the reports did not separate family and business expenditures, it was assumed that half of the total expense would be equivalent to the family share.